

Article 35

ZONING BYLAW AMENDMENT

INDUSTRIAL USES

ARB Response to Article Opponent
Presentations

Claims by Opponents of Art. 35

1. The ARB is “sneaky and underhanded.”
 - Residential mixed use was a *“hidden and surprise addition.”*
 - The Article is deliberately misleading.
2. Article 35 will convert the Industrial Zone into a residential zone.
 - “[P]rimary use... will be for expensive, market rate housing. Any business use, first floor or otherwise, will be a *flimsy façade.*”
3. Arlington is has a “serious fiscal imbalance” that will be made worse by Article 35, not better.

CLAIMS – “SNEAKY & UNDERHANDED “ARB:

- ❑ “Through the first ten months of the study, there was no discussion of residential mixed use.”

Don Seltzer presentation (2:04 – 2:08)

- ❑ “The proposal to allow residential mixed use was introduced at a very late stage in October during a presentation to the Redevelopment Board. It was not actually mentioned or even listed in the slide shown, but was deeply buried in a single footnote in the documentation. It was up to residents to call attention to this hidden surprise addition”

Don Seltzer presentation (2:16 – 2:39)

- ❑ “It also shows how its proponents tried to sneak in housing. The original Article mentioned residential housing, only as a footnote.”

Aram Hollman presentation (1:48 – 1:57)

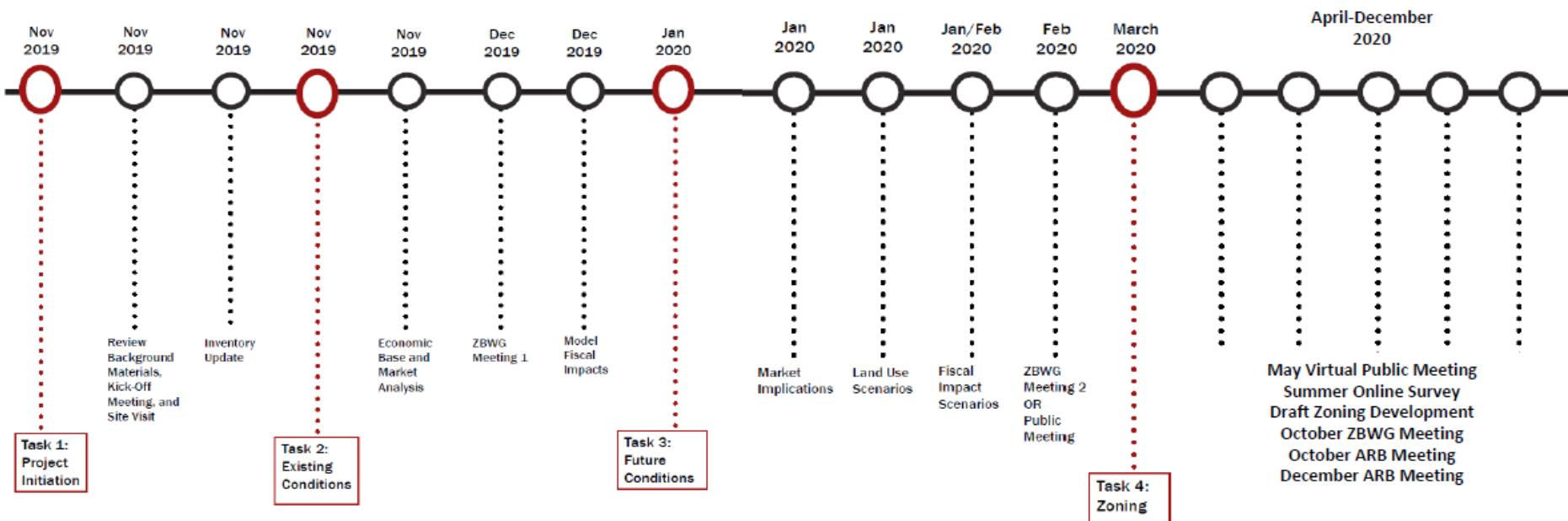
- ❑ “This is sneaky and underhanded. Because it gives the Redevelopment Board the discretion to allow what was previously removed, precisely because it was objectionable.”

Aram Hollman presentation (2:51 – 3:02)

REPORONSE:

- ✓ Limited Residential Uses within Mixed-Use was discussed and repeatedly, including as part of the Arlington Master Plan, and well before and after the ARB's public hearings within the Zoning Bylaw Working Group and with our consultant RKG/ Harriman.
- ✓ RKG's Final Timeline – most of the timeline was for study and analysis.

Timeline



REPONSE:

✓ BUT...RKG noted the Master Plan's Recommendations for "mix of residential and non-residential units in their 5th Slide at the First Meeting of the Zoning Bylaw Working Group on December 4, 2019

Arlington Master Plan - Recap



master plan
OUR TOWN, YOUR FUTURE
Adopted February 4, 2015
Arlington Redevelopment Board

Issues & Opportunities:

- Projected private sector job growth of 300-900 new jobs by 2020. Translates into demand of 160,000 square feet of space over ten years.
- Potential for retail but needs to be strategic.
- Potential for co-working space and creative arts space.
- Redevelopment should include a mix of residential and non-residential uses.

Recommendations:

- Promote mixed-use in Business Districts.
- Update Industrial District Uses and Dimensional Standards:
 - Remove minimum floor area requirements for smaller businesses
 - Allow restaurants
 - Allow small retail space
 - Allow residential as part of mixed use by Special Permit
- Allow collaborative workspaces.
- Identify suitable locations for office buildings and/or innovation park.

REPONSE:

- ✓ Pros and Cons of Residential Components of mixed use were discussed throughout the process.
- ✓ October 2020 Initial RKG Recommendations did not include Mixed-Use Residential.

Proposed Uses

Flex Spaces



<https://leechanggroup.com/inland-empire/ontario-ca-light->

Maker Space



<https://www.facebook.com/pg/nebraskainnovationstudio/events/>

Work Only Artist Studio



<https://art.gmu.edu/facilities/>

Vertical Farming



<https://www.wyomingpublicmedia.org/post/vertical-harvest->

REONSE:

- ✓ *However, members of the Zoning Bylaw Working Group on October 7, 2020 expressed differing views about the proposal without a proforma and whether residential mixed use should be explored further. From the minutes of that meeting:*

Christian asked about the screening for the abutting bikeway and noted that there is a grade change. He asked whether tasting rooms should be a separate use from a brewery, distillery, and winery, and thought that some clarification is needed so that not every use can have a tasting room. He also asked whether food trucks needed to be listed as it might be more appropriately handled by the Board of Health. Christian also asked about allowing residential as part of mixed use. He appreciated that residential cannot displace industrial uses. Christian also agreed that the definitions should not contain standards.

Charlie thought that the zoning amendments were an improvement. He asked whether a pro forma had been completed to determine whether the zoning was realistic. Eric indicated that a pro forma was not completed as it was out of scope. Charlie was concerned with the number of requirements needed for flexible development. Erin indicated that she would discuss with Eric, Emily, and Jenny whether there is any room to complete the task that Charlie is asking about. Charlie also noted that the parking requirements relative to flex space needed some clarification of what happens when the uses flex and change the requirements.

John commented on allowing residential in mixed use. He strongly disagreed with the concept due to the small size of the industrial sector in Arlington. He noted that these uses do not send children to school or demand much from public safety.

Don Seltzer [not a member of the ZBWG] asked about the shadow study requirement. He did not think that it would be adequate to really assess the impact of shadows on abutters.

REONSE:

- ✓ *However, members of the Zoning Bylaw Working Group discussed residential mixed-use again on November 5, 2020. From the minutes of that meeting:*

Erin indicated that she had only received more detailed comments from three members of the Working Group so she wanted to give the Working Group time to discuss the draft zoning amendments as a group. In particular, Erin noted that the Working Group had not discussed allowing residential uses in the Industrial Districts, specifically, by adjusting the footnote that prohibits residential uses in mixed use projects. As written, the footnote regarding mixed use allows up to 50% of the gross floor area to be residential, which would also trigger the development standards. Erin also noted that this work is not slated for a certain Town Meeting so the discussion can continue past the end of RKG and Harriman's contact.

"[S]he wanted to give the Working Group time to discuss... in particular Erin noted that the Working Group had not discussed allowing residential uses..."

RESPONSE:

- ✓ RKG performed a proforma analysis specifically for Mixed-Use scenarios. This was not “hidden,” nor was it a “surprise.” One of the four scenarios discussed was “Flex/Industrial & Residential”

Proforma Analysis

Scenario Four: Mixed-Use Development (Flex/Industrial & Residential)

Development scenario is a mix of Flex/ Industrial and Residential and includes 141 surface parking spaces.

Total development cost is around \$17M.

The financial return under this scenario is positive as potential revenues gained from undertaking the project outstrip initial development and operational costs.

Net present value under this scenario is \$6.7M indicating developers would be willing to undertake this project.

This project could carry additional mitigation costs.

Scenario Development Program

Source: RKG Associates, Inc.

Land Use	Development Square Feet	Parking Spaces
Residential	52,000 (68 units)	89
Office	N/A	N/A
Flex/ Industrial	52,000	52
Total	104,000	141

Scenario Financial Return

Source: RKG Associates, Inc.

Key Financial Metrics

Equity	\$4,258,271
Debt	\$12,774,813
Total Development Cost	\$17,033,085

Desired IRR	12%
Actual IRR	23.4%
Cash on Cash Return	15%
Net Present Value	\$6,727,824
Net Fiscal Impact from New Dev't	\$87,710

RESPONSE:

- ✓ *RKG discussed limited, residential in mixed-use AND principal industrial qualification recommendation on December 21, 2020 as one of its primary recommendations*

Changes to Recommended Modifications

- Section 2. Definitions
 - Add Self-service storage facility
 - Moved standards by use to Section 5.9
- 5.3.7 Dimensional Regulations
 - Clarified screening along Minuteman Bikeway
- 5.6.2 Dimensional and Density Regulations
 - Clarified screening along Minuteman Bikeway
 - Clarified standards for solar readiness, accessibility, lighting, and pedestrian amenities
- 5.6.3 Use Regulations (Table of Uses)
 - Added self-service storage facility and requires a special permit
 - Note that mixed-use can include residential, subject to 5.9.10
- 5.9 Supplemental Regulations for Permitted Uses
 - Moved standards by use from Section 2
 - Limits residential uses to a component of a mixed-use development.
 - Can be either vertical or horizontal
 - Ground floor of principal building must be industrial or commercial
 - Residential use is limited with respect to the ground floor area of the principal industrial use.



REONSE:

- ✓ *The Zoning Bylaw Working Group discussed the final recommendations again on January 6, 2021. From the minutes of that meeting:*

Steve noted that the economic analysis portion of the project was insightful. He appreciated the use of bonuses and incentives to contribute to green infrastructure goals. He also noted that the industrial areas of Town are a very small portion of the tax base and land area, so redevelopment may result in a small return.

John referred back to Mr. Tosti's comments at the 2019 Town Meeting when the funding was appropriated for this project. He expressed that residential uses should not be allowed in the industrial zoning districts.

Charlie asked about the Park Ave area that is zoned industrial, in particular the site occupied in part by Gold's Gym. He was curious about redevelopment at this site. For this site in particular, residential uses may make the financial pro forma for this site work. Charlie also wanted to make sure that indoor fitness clubs would be allowed, and they are.

Ralph indicated that the project provided good information and proposals for consideration including modernizing the uses allowed and creating opportunities for sustainability and other amenities. He indicated that he is not concerned with allowing residential uses as it could encourage redevelopment without supplanting the industrial and commercial uses.

REONSE:

- ✓ *The Zoning Bylaw Working Group discussed the final recommendations again on January 6, 2021. From the minutes of that meeting:*

Pam recommended more narrowly describing what is permissible for residential uses. She appreciated the sustainability aspects and the inclusion of new uses.

At this point in the meeting, the ZBWG members heard a presentation from Don Seltzer regarding the industrial study. The presentation was made available to the members and posted with the calendar event on the Town's website.

Response:

Members of the Zoning Bylaw Working Group – including Mr. Worden – discussed this element of Article 35, most agreed and some did not.

Whether live-work space for artists is a good idea was examined carefully.

Vote against it if you don't like it, but it was not “sneaky” “hidden” or a “surprise.”

CLAIM – INDUSTRIAL ZONE WILL BE CONSUMED BY RESIDENTIAL:

“The danger of rezoning our industrial districts for residential mixed use is that it will eventually drive out everything else. In adding residential use at the end of their contract, RKG failed to include all of the other normal requirements that apply to residential use in every R zone and business zone.”

Don Seltzer presentation (4:04 – 4:25)

“I oppose Article 35 because it is a big step towards entirely eliminating Arlington’s shrunken industrial area, turning it into housing and turning Arlington into a bedroom only community.”

Aram Hollman presentation (0:07 – 0:19)

RESPONSE: TYPE OF RESIDENTIAL MIXED-USE ALLOWED

Artists' Mixed-Use. Any portion of a building devoted to such use shall be subject to the following conditions:

- ✓ Occupied by persons certified as artists pursuant to the Arlington Commission for Arts and Culture (ACAC) Artist Certification Process,
- ✓ Designed in accordance with ACAC standards and guidelines for artists' mixed-use space, and
- ✓ Subject to an agreement for artists' housing as part of the conditions of a **special permit** granted by the Redevelopment Board or Board of Appeals, as applicable

The purpose of residential in mixed-use is to realize industrial.

CLAIMS: ARLINGTON'S FISCAL IMBALANCE

"Arlington has a serious fiscal imbalance in its residential/commercial make up. Among the larger communities in Massachusetts, we are dead last in non residential property tax revenue. Compared to our sister communities in the Metro Mayors Coalition, our tax base is particularly dismal."

Don Seltzer presentation (0:19 – 0:40)

"Alewife, on our doorstep, is grabbing this overflow at \$70 per square foot. In Arlington's industrial districts, the going rents are only \$25 - \$30 per square foot."

Don Seltzer presentation (5:38 – 5:50)

"Follow the money. It does that because that's the easiest was to simply let more revenue roll in. Town budgets keep going up and keeping town officials well paid."

Aram Hollman presentation (4:21 – 4:30)

RESPONSE: ARLINGTON'S COMMERCIAL & INDUSTRIAL TAX
REVENUE IS NOT AN OUTLIER

Municipality	Fiscal Year	Residential Levy	Commercial Levy	Industrial Levy	Personal Property Levy	Total Levy	RO Levy as a % of Total	CIP Levy as a % of Total
Arlington	2021	130,708,797	5,772,932	289,289	1,428,481	500	94.58	5.42
Belmont	2021	104,094,756	4,154,944	274,865	968,349	914	95.07	4.93
Lexington	2021	164,535,806	21,963,224	14,007,61	1	6,508,069	709	79.48
Winchester	2021	102,032,105	3,222,983	442,098	780,615	801	95.82	4.18

RESPONSE: ALEWIFE HAS SUPERIOR PRICING BECAUSE

- 1) Alewife is many times the size of Arlington's Industrial Zone with significantly larger parcels;
- 2) Supported by larger, denser housing than Arlington can sustain;
- 3) Contains its own T and Bus stations, and
- 4) Allows for Commercial, Residential and Mixed-Use Development

Alewife Current Zoning & Resources

Allows Commercial, Residential & Mixed-Use

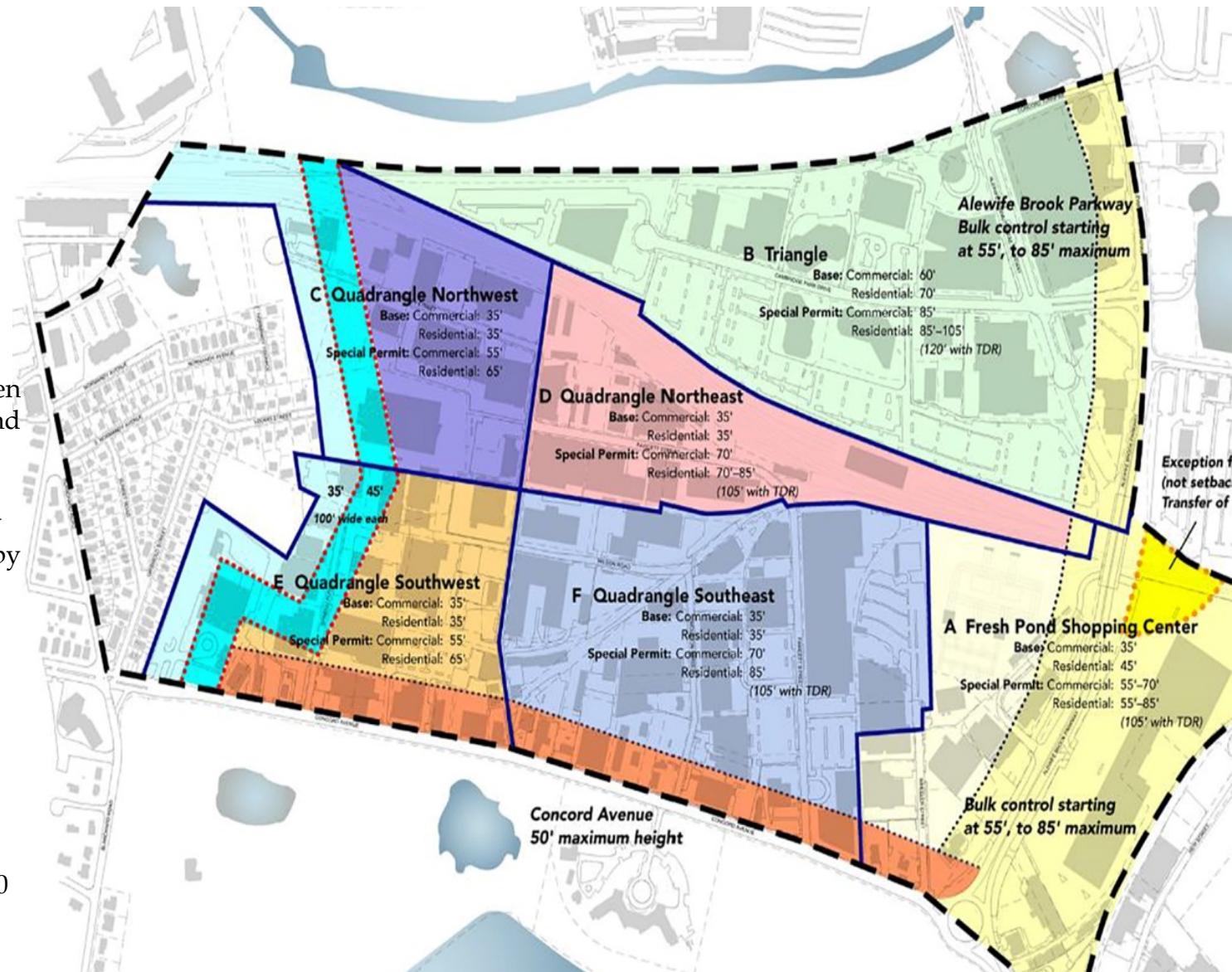
- Taller & Denser

- Residential between 35-70' (by right) and 65-105' (by SP)
- Commercial between 35-60' (by right) and 55-85' (by SP)

- Mixed-Use Allowed

- Much Larger Parcels for Redevelopment

- Example: July 2020 26 Acre Parcel bought by IQHQ for Lab Campus



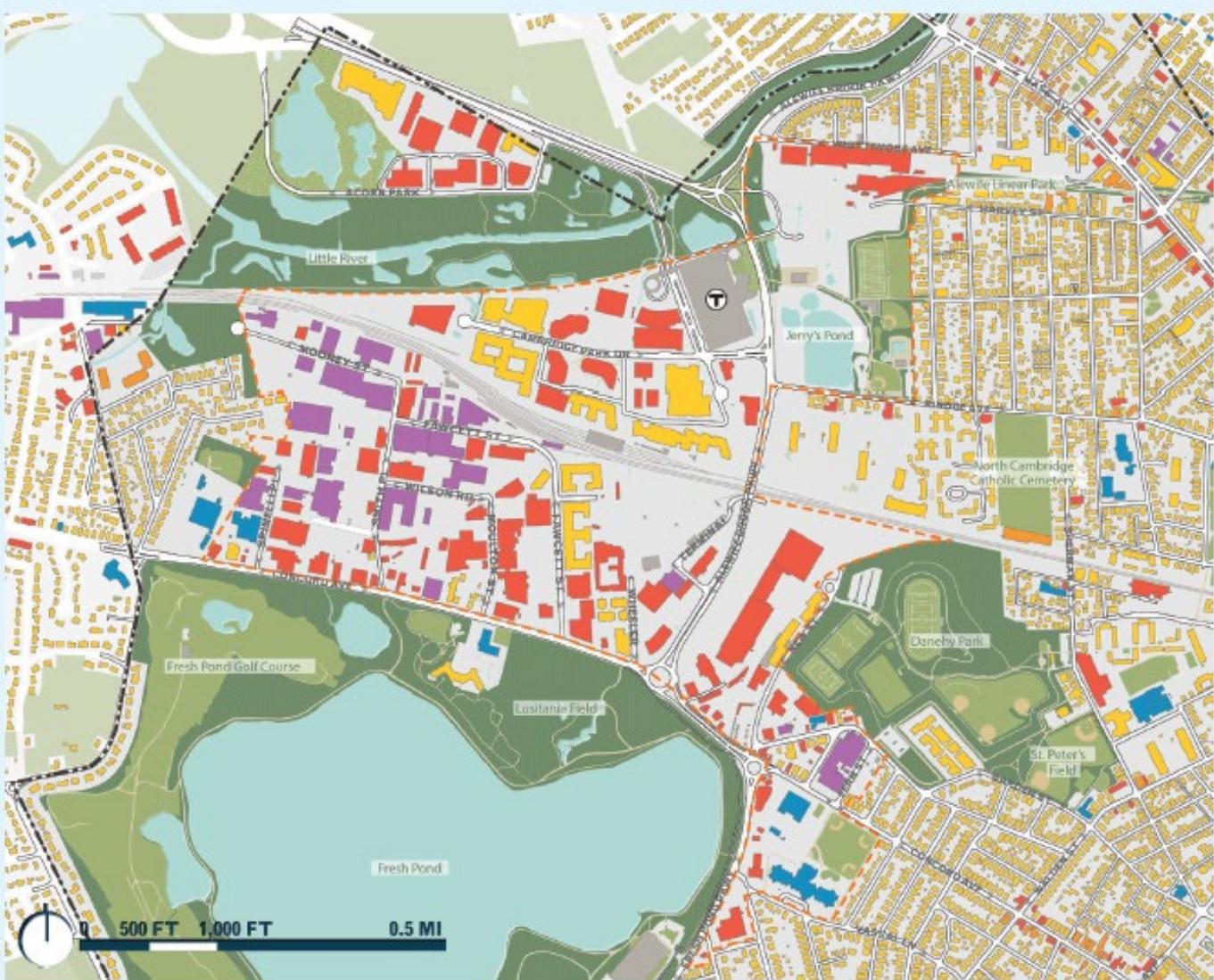
Source: Envision Cambridge "Alewife Zoning Recommendations" May 10, 2018

Alewife Building Use (2019): Commercial, Industrial, Residential and Mixed-Use Already Allowed within Close Proximity

Building Land Use in Alewife

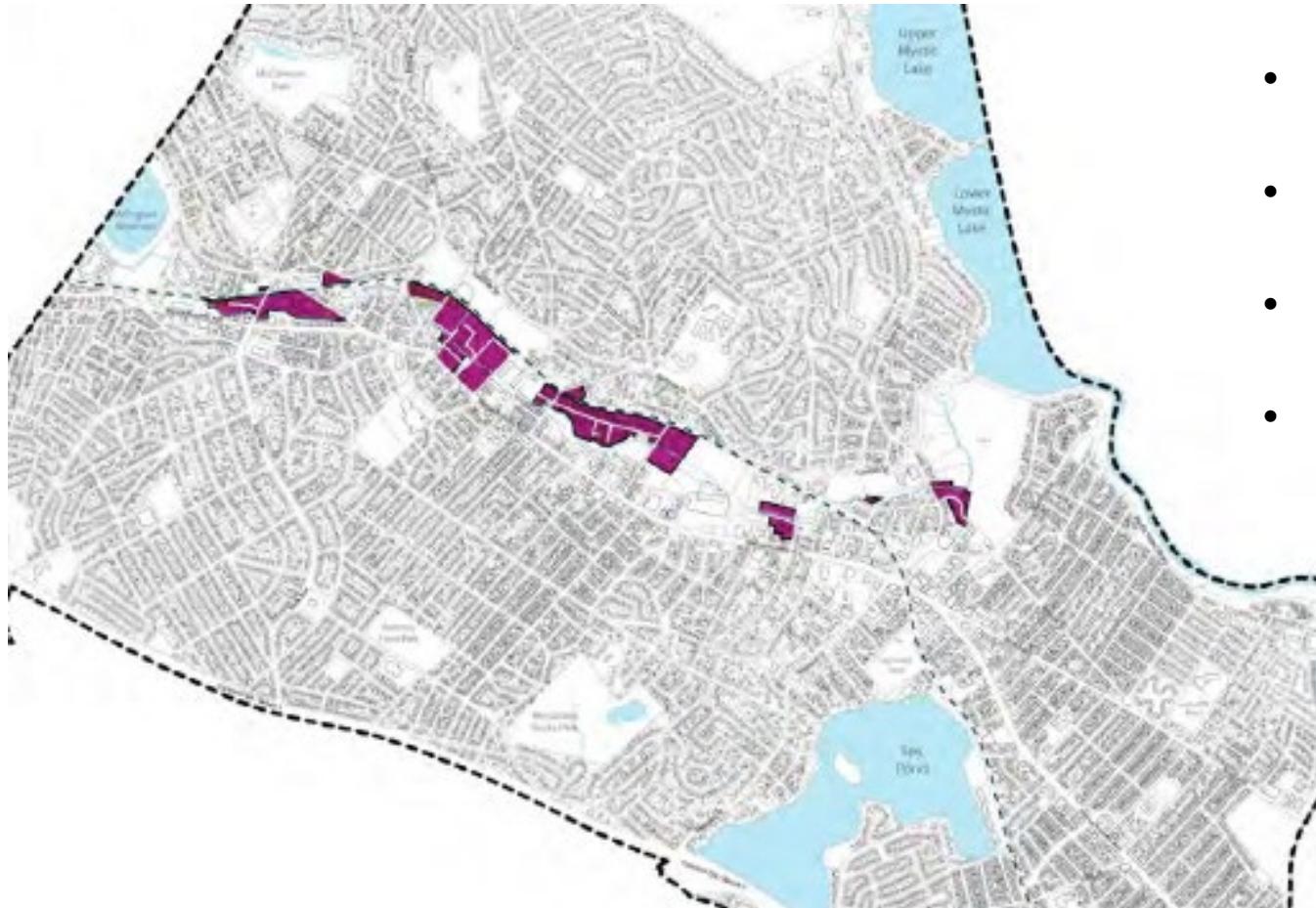
Source: City of Cambridge Community Development Department, 2016; City of Cambridge Assessing Department, 2016; Mass-GIS; Envision Cambridge Analysis

- Commercial
- Residential
- Mixed-Use
- Industrial
- Public/Institutional
- Public Open Space
- Parking
- Transportation & Utilities
- Cambridge City Line
- Study Area



Source: "Alewife District Plan" Alewife Planning Study Fall 2019

Arlington's Industrial Zone



- Significantly Smaller
- Spread out
- Divided ownership
- Varying Transportation Access

Final Thoughts

Areas of Agreement with Opposition

- The ARB wants to foster Industrial Redevelopment and industrial and commercial tax growth
 - No significant redevelopment in 30 years is how we arrive at our tax rate
- Property Owners, Not the Town will decide “what will go there.”
 - Without more flexible and attractive options, owners pursue alternatives like c. 40B Housing
- The Industrial Zone should be primarily Industrial
 - But options are Underutilized Industrial or Incentivized Industrial